To: Board of Harbor Commissioners

From: Mike Rademaker, CEO/Harbormaster

Date: November 14, 2026 (for the Regular Meeting of November 18, 2026)

Subject: Resolution No. 2026-20 - Approval of the Master Standard Form Hoist and Dock Lease and of Hoist and Dock Leases with Caito Fisheries, LCZ Unloaders, and Nor-Cal Seafood

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Recommended Action

Adopt Resolution No. 2026-20, which in a single action:

- approves the master Standard Form Hoist and Dock Lease, Version 1.0, prepared under Section 3.1(d) of Resolution No. 2026-19, and carries forward the Board's framework for using and adapting it (Article II);
- approves a separate Hoist and Dock Lease on the Standard Form with each of Caito Fisheries, LCZ Unloaders, and Nor-Cal Seafood, at $3,000 per hoist per month beginning December 1, 2026, with annual CPI-based adjustments beginning December 1, 2027, for a five-year term ending November 30, 2031 (Article III); and
- authorizes the CEO/Harbormaster, with District Counsel's approval as to form, to complete each lease's operator-specific details consistently with Exhibit B to the resolution, to finalize and execute the three leases with nonsubstantive changes, and to administer them within the limits stated in the resolution (Article III).

Background

On October 28, 2026, the Board adopted Resolution No. 2026-19, which approved the Hoist and Dock Lease for 100 Neptune Way and, in Article III, adopted the general form of that lease as the District's Standard Form Hoist and Dock Lease. Resolution No. 2026-19 identified Caito Fisheries, LCZ Unloaders, and other hoist operators as the intended users of the Standard Form, and Section 3.1(d) directed District Counsel, in consultation with the CEO/Harbormaster, to prepare within 60 days a master version using blanks or placeholders for Lease-Specific Content. That 60-day period ends December 27, 2026.

This item presents that master form and brings forward the first three leases to be prepared on it. Under Section 3.3(a) of Resolution No. 2026-19, the Board retains approval of each future lease and its business terms, so the Standard Form alone does not authorize a lease with any operator. Resolution No. 2026-20 provides that approval

for Caito Fisheries, LCZ Unloaders, and Nor-Cal Seafood, and carries forward the delegation, reservation, and fairness provisions of Resolution No. 2026-19 so that the Standard Form and the leases prepared on it are governed by one self-contained resolution.

How the Standard Form Was Prepared

The Standard Form starts from the final, Board-approved text of the 100 Neptune Way lease (the version revised October 24, 2026), with every redline revision accepted. Content specific to that transaction, as identified in Section 3.1(b) and (c) of Resolution No. 2026-19, has been removed or replaced with blanks (Table 1). All other provisions are carried forward word for word, except for the limited conforming changes and clarifications listed in Table 2.

Section numbering is unchanged, so each section of the Standard Form matches the corresponding section of the 100 Neptune Way lease. Section 12.5 (attorney's fees), which was deleted from that lease, is marked "[Reserved]," and Article 5 ends at Section 5.2 because the renewal option in Section 5.3 is omitted.

Table 1. Transaction-specific content removed or replaced

100 Neptune Way lease provision	Treatment in the Standard Form	Section(s)
Two named cotenants, their organizational forms, and a signature block for each	Blanks for one tenant's legal name and type of entity; one tenant signature block with two officer lines; signer names for the District and for approval as to form left blank	Preamble; signature page
Prior lease (January 15, 2026) and interim use agreement history (Recitals B and C)	Recitals deleted. Section 2.3 refers generically to any "Prior Agreement" under which the tenant already occupies the premises; it continues until the later of rent commencement and execution, and payments for overlapping periods are credited against rent. Section 12.13 preserves obligations that accrued under a Prior Agreement.	Recitals; 2.3; 12.13
Right of first refusal held by Alaska Ice Seafoods Inc. (Recital D, Section 1.2, and the acknowledgment page)	Deleted. Section 1.2 keeps only the general statement that the lease creates no right of first refusal, priority, renewal, extension, holdover, or continued possession.	1.2
Premises at 100 Neptune Way: two buildings (about 400 sq. ft.), surrounding area (about 17,415 sq. ft.), two hoists, and the truck pit	Blanks for the street address, number and area of buildings, surrounding area, number and hoist-space numbers of the hoists, and any other exclusive-use area, all shown on the Exhibit 1 site plan	2.1; Exhibit 1

100 Neptune Way lease provision	Treatment in the Standard Form	Section(s)
Total rent of $6,000 for two hoists; cotenant rent-allocation sentences	$3,000 per hoist stated; total monthly rent and hoist count left blank; cotenant allocation addressed in the conditional joint and several liability clause	2.2; 2.7
Permitted use of "fish offloading and processing"; one cotenant's authority to resolve disputes between the cotenants	Permitted use left blank so it can fit each operator's actual operations (for example, offloading only, or offloading and processing); dispute-resolution authority deleted	2.4
Term of November 1, 2026 through October 31, 2031; November 1 adjustment cycle beginning 2027	Term of December 1, 2026 through November 30, 2031; rent commences on the later of December 1, 2026 or Board approval; adjustments each December 1 beginning 2027	2.3; 2.5; 4.7
Option to extend for one five-year term at re-appraised rent (Section 5.3) and its conforming references	Deleted, with its conforming references in Sections 1.2, 2.2, 2.5, 3.2, 4.1, 4.7, and 5.1. Section 2.5 states that there is no option to renew or extend.	1.2; 2.2; 2.5; 3.2; 4.1; 4.7; Art. 5
Allocation of Wharfage Fees to one cotenant	Deleted; the tenant pays all Poundage Fees and Wharfage Fees	4.6
Allocation of reduced hoist capacity between the cotenants during District Projects (last sentence of Section 11.2(e))	Deleted	11.2(e)
Claims-made pollution policy retroactive date of January 15, 2026 (the prior lease date), or either tenant's earlier first operations	Retroactive date no later than the earlier of the Commencement Date and the date the tenant first conducted operations at the premises or on the pier	7.2(e)
Joint and several liability of the two named tenants; notice to each tenant	Retained as conditional provisions that apply whenever more than one person or entity is named as tenant, as Section 3.1(c) of Resolution No. 2026-19 contemplates for a single-tenant lease	2.7; 12.1(d)

Table 2. Clarifications and conforming changes

Change	Explanation	Section(s)
Definitions of "Hoist" and "Hoist Equipment"	Section 2.1(c) of the Standard Form supplies definitions appropriate for standard leases.	2.1(c)
Reference to the site plan	Section 2.1 now states that the premises are depicted on Exhibit 1, tying the premises description to the site plan that Section 3.4 of the resolution requires before execution.	2.1
Leases of any number of hoists	References to "both Hoists" and "one Hoist" are conformed to "all of the Hoists," "any Hoist," and "one or more Hoists," so the abatement, closure, and termination provisions work for a lease of one hoist or several.	8.4(e); 11.2(b), (g)
Recital renumbering	Former Recital F (District Projects) is now Recital C, and the cross-reference in Section 11.2(a) is conformed.	Recitals; 11.2(a)
Stormwater permit statement	"An authorized officer of each Tenant" becomes "an authorized representative of Tenant," to accommodate an operator that is not a corporation.	3.4(a)
Version control	The form is identified as Version 1.0 (November 2026), as Section 3.6 of Resolution No. 2026-19 requires.	Title; footer

Standard Form Baseline Retained Without Change

As Section 3.1(e) of Resolution No. 2026-19 requires, the following provisions are carried into the Standard Form without substantive change, so every operator receives the same allocation of rights, obligations, and risk the Board approved on October 28:

- **Annual rent adjustment (Section 4.7).** The greater of 2% or the arithmetic average of seven annual changes in the CPI-U, West Region, All Items, not seasonally adjusted (BLS Series CUUR0400SA0), applied to the aggregate monthly rent and rounded to the nearest cent, with no later true-up.
- **Insurance (Sections 2.6 and 7.2).** $2 million public liability and property damage limits; fire and extended coverage at 100% of replacement cost with the District as loss payee; premises pollution legal liability of $2 million per claim or condition and $2 million aggregate, maintained for 60 months after the lease ends; workers' compensation; and additional-insured, primary-coverage, and waiver-of-subrogation protections.
- **Hoists and pier (Sections 2.8, 8.1, 8.3, and 8.4).** The tenant maintains, repairs, and replaces its own Hoist Equipment regardless of cause. The District maintains and repairs the pier, including the District-owned hoist foundations and electrical

service, subject to available funds, with a two-business-day response, a 15-day start for routine repairs, rent abatement for outages longer than seven days without a temporary alternative, and a termination right if an outage will exceed six months. The tenant reimburses pier damage it causes, other than ordinary wear and tear from compliant operation.

- **District Projects, relocation, and loss of income (Sections 11.2 and 11.3).** Temporary closure or relocation on 30 days' notice, permanent relocation to reasonably comparable Substitute Premises on 90 days' notice (or any longer period relocation law requires), per-hoist rent abatement, limited termination rights, compliance with federal and state relocation law where it applies, no District liability for lost income, and a good-faith District commitment to minimize interference and losses.
- **Stormwater (Section 3.4).** Compliance with the Industrial General Permit to the extent it applies, with documentation of coverage, a No Exposure Certification, or the basis for concluding it does not apply.
- **Funding and force majeure (Sections 8.4(c) and 12.15).** Pier maintenance and repairs other than emergency protective measures are subject to available funds, and force majeure does not excuse the payment of rent.

The Operator Leases

Article III of Resolution No. 2026-20 approves a separate lease on the Standard Form with each operator. The principal terms are the same for all three:

- **Tenant.** Caito Fisheries, LCZ Unloaders, or Nor-Cal Seafood, each through the legal entity that conducts its hoist operations, confirmed from Secretary of State records before execution (resolution Sections 3.2(b) and 3.4).
- **Premises.** The hoist space or spaces, and any building, surrounding area, and other exclusive-use area, identified for the operator in Exhibit B to the resolution and shown on the lease's Exhibit 1 site plan, together with nonexclusive use of the District-owned pier on which the hoists sit (lease Sections 2.1 and 2.8).
- **Rent.** $3,000 per hoist per month, the same per-hoist rate as the 100 Neptune Way lease. Total monthly rent is $3,000 multiplied by the operator's hoist count in Exhibit B. Poundage and wharfage fees under the District's Fee Schedule are additional (lease Sections 2.2 and 4.6).
- **Term.** Five years, from December 1, 2026 through November 30, 2031. There is no option to renew or extend, and no right to hold over (lease Sections 1.2, 2.5, and 5.2).
- **Annual adjustments.** Each December 1 beginning in 2027, four adjustments in all, by the greater of 2% or the seven-year CPI average (lease Section 4.7).
- **Other terms.** The baseline insurance, hoist and pier, District Project, relocation, stormwater, default, and surrender provisions described above.

Exhibit B. Exhibit B to the resolution records each operator's lease-specific details: legal name and type of entity, premises address, hoist space numbers and count, total initial monthly rent, building and yard area, other exclusive-use areas, permitted use, and any existing agreement the new lease will supersede. Staff will complete Exhibit B before the Board acts. Resolution Section 3.2 limits the CEO/Harbormaster to

completing each lease consistently with Exhibit B. If an item is left blank, the CEO/Harbormaster may complete it only to document the space the operator already occupies under its existing agreement, and must report the completed information to the Board at its next regular meeting. Different premises, a different hoist count, or a different permitted use requires Board approval.

Commencement and Rent Commencement

As in the 100 Neptune Way lease, each Operator Lease uses three dates, each with a different purpose:

- **Commencement Date (Section 2.5):** fixed at December 1, 2026. It anchors the five-year term, the November 30, 2031 expiration, and the December 1 adjustment cycle.
- **Rent Commencement Date (Section 2.3):** the later of December 1, 2026 or the date of Board approval. Rent under the new lease begins on this date.
- **Effective Date (preamble):** the date the lease is fully signed after Board approval, which the CEO/Harbormaster completes at execution. Under Section 1.1, nothing binds either party until the Board approves the lease.

If the Board adopts Resolution No. 2026-20 on or before December 1, 2026, rent under each Operator Lease begins December 1. If the Board acts after December 1, the term and adjustment calendar do not move; rent begins on the date of adoption, prorated for the partial month under Section 4.1. Until the later of rent commencement and execution, each operator's occupancy continues under its existing lease, license, or use agreement (the "Prior Agreement"), and any payment under the Prior Agreement for a period on or after rent commencement is credited against lease rent, so no period is charged twice. Obligations that accrued under a Prior Agreement survive (Section 12.13). Before execution, staff will identify each Prior Agreement and confirm the operator's payment status under it (resolution Section 3.4(iv)).

Resolution Section 3.7 provides that the approval of an Operator Lease expires if the operator has not signed it within 90 days after adoption, unless the Board extends it. Without that limit, an approval granted for a December 1, 2026 start could be used months later with a large retroactive rent obligation, or after the operator's circumstances have changed.

Fair and Consistent Treatment of Hoist Operators

Section 3.4 of Resolution No. 2026-19, carried forward as Section 2.4 of Resolution No. 2026-20, requires that material differences in economic terms or obligations among comparable operators be identified and explained in the staff report. Table 3 compares the Operator Leases with the 100 Neptune Way lease.

Table 3. Comparison with the 100 Neptune Way lease

Term	100 Neptune Way lease	Operator Leases
Initial rent per hoist	$3,000 per month	$3,000 per month
Rent adjustment method	Greater of 2% or seven-year CPI-U West average (Section 4.7)	Same

Term	100 Neptune Way lease	Operator Leases
Adjustment dates	Each November 1, beginning 2027 (four in the term)	Each December 1, beginning 2027 (four in the term)
Term	November 1, 2026 – October 31, 2031	December 1, 2026 – November 30, 2031
Renewal option	One five-year option at re-appraised market rent (Section 5.3)	None
Insurance, hoist and pier maintenance, District Projects, relocation, loss of income, stormwater	Baseline provisions	Same baseline provisions
Tenant structure	Two cotenants, jointly and severally liable	One tenant; joint and several liability if more than one is named
Right of first refusal	Existing right satisfied and exhausted by the lease	Not applicable

Renewal option. This is the one material difference. The Board approved a five-year renewal option for the 100 Neptune Way lease in response to its October 14, 2026 direction, and Resolution No. 2026-19 treated that option as transaction-specific: it is excluded from the Standard Form, and including one in another operator's lease is a Reserved Modification requiring express Board approval (Resolution No. 2026-19, Sections 3.1(c) and 3.3(b)(5); carried forward as Sections 2.1(b) and 2.3(b)(5) of Resolution No. 2026-20). The Operator Leases, as proposed, do not include a renewal option. Without one, the District keeps its ability to set terms for these hoist spaces after November 30, 2031, in light of the Citizens Dock replacement and other District Projects then completed. The Board may approve the Operator Leases as proposed, or direct staff to return with a renewal option comparable to Section 5.3 of the 100 Neptune Way lease for one or more operators, which would be presented as an identified Reserved Modification.

Calendar. The Operator Leases run one month behind the 100 Neptune Way lease because they begin December 1. Each lease has four annual adjustments within a five-year term, so the one-month offset does not change the economics.

Relocation Requirements and Grant Funding

The Citizens Dock and seawall work is funded in part by the District's FY 2022 and FY 2024 Port Infrastructure Development Program grants from the U.S. Department of Transportation, Maritime Administration (MARAD). A move that this work requires is therefore subject to the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act (42 U.S.C. § 4601 et seq.; 49 C.F.R. Part 24), which the grant agreements incorporate. The California Relocation Assistance Law (Gov. Code § 7260

et seq.) applies to the District in any event. Section 11.2(h) of each Operator Lease requires the District to comply with those laws where they apply, provides nothing beyond what they require, and does not ask the operator to waive any statutory right.

Resolution Section 3.6(c) carries forward the safeguards of Resolution No. 2026-19: District Counsel confirms before execution that Section 11.2 is consistent with the grant agreements, and before any District Project requires an operator to move, the CEO/Harbormaster determines whether relocation law applies and, if it does, issues the required notices, prepares any relocation plan, requests any needed grant budget revision, and reports the anticipated costs and their funding to the Board.

What the Resolution Does

Article I (General Provisions) incorporates the recitals, identifies Exhibit A (the Standard Form) and Exhibit B (the Schedule of Operator Lease Terms), defines District Counsel and Lease-Specific Content, and states the resolution's relationship to Resolution No. 2026-19. Article II of Resolution No. 2026-19 continues to govern the 100 Neptune Way lease, and nothing in Resolution No. 2026-20 amends that lease. For the Standard Form and the leases prepared on it, Resolution No. 2026-20 controls over any inconsistent provision of Article III of Resolution No. 2026-19.

Article II (Standard Form) approves Version 1.0 and carries forward Article III of Resolution No. 2026-19: the scope of the form; District Counsel's authority to prepare and negotiate leases and approve Permitted Modifications; the Reserved Modifications that require Board approval; the fair and consistent lease structure policy; the effect on future approvals and existing leases; and maintenance of the form with a version number, change log, report to the Board within 60 days of any general revision, and review at least every two years. Two provisions are new: Section 2.1(b) states that the form contains no right of first refusal, priority, or renewal right, and Section 2.1(c) requires that the conditional joint and several liability and notice provisions be retained.

Article III (Operator Leases) approves the three leases and adapts the execution and administration provisions of Article II of Resolution No. 2026-19 to them: completion of lease-specific details consistently with Exhibit B and confirmation of each operator's legal entity (Section 3.2); nonsubstantive finalization and Permitted Modifications, with the same list of terms that cannot be changed administratively (Section 3.3); approval as to form, the site plan, Secretary of State confirmation, evidence of signing authority, and identification of each Prior Agreement before execution (Section 3.4); administration and nonsubstantive amendments (Section 3.5); administration of the District Project, relocation, and pier provisions, with Board approval required for any District termination and reports to the Board on relocations, extended abatements, and terminations (Section 3.6); and the 90-day limit on unexecuted approvals (Section 3.7). The renewal-option administration provisions of Resolution No. 2026-19 are omitted because the Operator Leases have no renewal option.

Article IV (General) contains the environmental findings, the applicable-law and existing-authority provision, severability, and the effective date.

Environmental Review

Section 4.1(a) of the resolution finds approval of the Operator Leases categorically exempt under State CEQA Guidelines section 15301, Class 1 (Existing Facilities). Each

lease provides for fish offloading and related operations at existing hoist areas, buildings, and associated premises within the District's existing harbor facilities, involving negligible or no expansion of existing use. The resolution does not approve new construction or expansion of use, and Section 8.2 of each lease preserves the requirements for District consent and applicable permits for alterations. The resolution includes a Board finding, based on the record before it, that no exception under State CEQA Guidelines section 15300.2 applies. Staff will confirm before the meeting that each hoist space listed in Exhibit B is an existing hoist location; if any Operator Lease would establish a hoist at a location not now used for that purpose, the exemption should be re-examined before the Board acts.

The leases' District Project and relocation provisions reserve rights and allocate risk; they do not approve, fund, or commit the District to the Citizens Dock replacement, the seawall repair and replacement, or any other project, each of which remains subject to its own CEQA review and, for federally funded work, review under the National Environmental Policy Act. Approval of the Standard Form and the administrative delegation, standing alone, do not authorize physical changes and are not a project under State CEQA Guidelines section 15378(b)(5).

Fiscal Impact

Each Operator Lease produces base rent of $3,000 per hoist per month from rent commencement. The following illustration shows base rent for one hoist, assuming rent commences December 1, 2026, and each annual adjustment is the 2% floor.

Period	Monthly Minimum Rent per Hoist	Rent per Hoist for Period
December 2026 – November 2027	$3,000.00	$36,000.00
December 2027 – November 2028	$3,060.00	$36,720.00
December 2028 – November 2029	$3,121.20	$37,454.40
December 2029 – November 2030	$3,183.62	$38,203.44
December 2030 – November 2031	$3,247.29	$38,967.48
Total, five-year term		**$187,345.32**

At the 2% floor, base rent over the term totals $187,345.32 per hoist, which is $7,345.32 more than the $180,000 that flat rent would produce. Combined base rent for the three Operator Leases equals these per-hoist figures multiplied by the total number of hoists in Exhibit B; because Section 4.7 adjusts and rounds each lease's aggregate rent, a multi-hoist lease may differ from that product by a few cents. These are gross contractual base-rent amounts. Poundage Fees and Wharfage Fees are additional.

Rent will be higher if the seven-year CPI average exceeds 2% at an adjustment date. For context, the West Region CPI-U rose 7.1%, 6.2%, 3.6%, 2.5%, and 2.9% over the twelve months ending December 2021 through December 2025, respectively. Section 4.7 uses calendar-year annual averages rather than December-to-December changes, so these figures are indicative only, but they suggest that the seven-year averages used

for the first adjustments, which will include 2021 through 2023, are likely to exceed the 2% floor.

Rent abatement. Rent abates only when a hoist is out of service for more than seven consecutive days because of a District Project or a District-responsible pier condition and no reasonable temporary alternative is offered or provided. At the initial rent, abatement is $3,000 per hoist per month, prorated by the actual days in the month (about $97 to $107 per hoist per day). If a hoist location is permanently eliminated without a substitute, or a lease is terminated as to a hoist, base rent is permanently reduced by the per-hoist share. The District bears no liability for an operator's lost income.

Pier maintenance. Each Operator Lease makes the District's maintenance and repair of the pier, including the hoist foundations and electrical service up to the point of connection, a contractual commitment with response-time standards. As owner of the structure, the District already bears this risk in practice. Costs depend on the pier's condition and cannot be quantified now; maintenance and repairs other than emergency protective measures are subject to available funds, casualty restoration is subject to available insurance, disaster assistance, or other funding, and the operators reimburse damage they cause, other than ordinary wear and tear from compliant operation.

Relocation. As discussed in the October 28, 2026 report, if each lessee's move to the new pier is completed in one day, with the moves staggered, the District's relocation cost should be limited to the actual, reasonable cost of each move, in addition to the hoist foundations and electrical service already planned for Pier 1. A one-day outage does not trigger rent abatement. Any relocation payments that federal or state law requires would be paid through the Pier 1 construction contract, by the District, or through a MARAD-approved budget revision, as resolution Section 3.6(c) provides.

Adopting and maintaining the Standard Form requires staff and legal time but does not itself appropriate funds. Future leases and material departures will be presented with their own fiscal implications when Board approval is required.

Attachments

- Resolution No. 2026-20, with Exhibit A (Standard Form Hoist and Dock Lease, Version 1.0) and Exhibit B (Schedule of Operator Lease Terms)